

THOMAS J. MILLER
ATTORNEY GENERAL

ERIC TABOR
CHIEF OF STAFF



Iowa Department of Justice

ADDRESS REPLY TO:
1305 E. Walnut Street
Des Moines, IA 50319

Telephone: 515/281-5191
Fax: 515/281-4209
etabor@ag.state.ia.us

MEMORANDUM

TO: The Honorable Robert Hogg, Chair, Senate Judiciary Committee
The Honorable Charles Schneider, Ranking Member, Senate Judiciary Committee
The Honorable Chip Baltimore, Chair, House Judiciary Committee
The Honorable Mary Wolfe, Ranking Member, House Judiciary Committee
Ms. Beth Lenstra, Legislative Services Agency

FROM: Eric Tabor, Chief Deputy 

RE: 2013 False Claims Act Annual Report
Amendment to 2012 False Claims Annual Report

DATE: July 2014

2013 False Claims Act Annual Report

This annual report concerning activity under Iowa's False Claims Act ("Act"), Iowa Code chapter 685, is submitted by the Office of Attorney General ("Office") pursuant to 2010 Iowa Acts, chapter 1031, section 345. (Attached.)

1. There was 1 case filed under the Act by the Office during the previous calendar year (2013).
2. There were 49 cases filed under the Act by qui tam plaintiffs during the previous calendar year (2013).

2a. The qui tam cases were filed in United States District Courts in California, Central District (1); California, Eastern District (1); California, Northern District (1); Connecticut (1); District of Columbia (2); Florida, Southern District (1); Florida, Middle District (3); Illinois, Northern District (3); Iowa, Southern District (1); Kentucky, Western District (1); Maryland (3); Massachusetts (5); Nebraska (1); New Jersey (6); New York, Southern District (6); North Carolina, Western District (1); Ohio, Southern District (1); Oregon (1); Pennsylvania, Eastern District (4); Tennessee, Middle District (1); Texas, Western District (1); Virginia,

Eastern District (1); Virginia, Western District (1); Wisconsin, Eastern District (2).

2b. All of the cases involved the Medicaid program.

2c. The Office does not know whether the qui tam plaintiffs previously filed an action in another jurisdiction.

3. In cases that were filed in court, the state recovered the following amounts under the Act during the previous calendar year (2013):

- \$1,090,456.35–No. 1:07-cv-962 (U.S District Court for the District of Maryland): *U.S. ex rel. Thakur v. Ranbaxy Laboratories, Ltd.*

Of this amount, damages were \$534,404.12, penalty amount was \$534,404.11, interest was \$21,648.12. The state relator share was \$834.64, which was .03% of the combined federal/state recovery.

- \$2,374.26 – No. 09-3526 (U.S. District Court for the District of New Jersey): *U.S. ex rel. McKeen v. Par Pharmaceutical, Inc.*

Of this amount, damages were \$1,171.37, penalty amount was \$1,171.37, and interest was \$31.51. There was no state relator share.

- \$3,504,146.49 – No. 11-10398 (U.S. District Court for the District of Massachusetts) *U.S. ex rel. Thorpe v. Smith Kline Beecham, Inc.*

Of this amount, damages were \$1,534,130.89, the penalty amount was \$1,946,175.53, and interest was \$23,840.07. The state relator share was \$8,325.61, which was .09% of the federal/state recovery.

In cases that were settled prior to the filing of a lawsuit, the state recovered the following amounts under the Act during the previous calendar year (2013):

- \$55,823.62 - Siouxland Paramedics, Inc. - \$55,823.62.

This represents 200% of the state portion of Medicaid damages plus 10 basis point bonus per federal regulation. No state relator share.

- \$87,833.33 - Siouxland Community Health Center (FQHC)

This represents 300% of the state portion of Medicaid damages plus 10 basis point bonus per federal regulation. No state relator share.

- \$145,235.39 - Rotech Healthcare, Inc.

This represents 200% of the state portion of Medicaid damages plus 10 basis point bonus per federal regulation. No state relator share.

- \$18,553.76 - Lincare Inc.

This represents 200% of the state portion of Medicaid damages plus 10 basis point bonus per federal regulation. No state relator share.

Amendment to 2012 False Claims Act Annual Report

The 2012 False Claims Act Report should be amended to reflect the fact that state received \$67,500 in a settlement reached prior to the filing of a lawsuit with Frontier Leasing, Inc. This represents 100% of the state portion of Medicaid damages plus 10 basis point bonus per federal regulation. No state relator share.

2010 Iowa Acts
Chapter 1031, Section 345

Sec. 345. ANNUAL REPORTING REQUIREMENT. On the thirtieth day after the effective date of this division of this Act, and on the anniversary of the effective date of this division of this Act each year thereafter, the attorney general shall submit to the chairpersons and ranking members of the house and senate committees on judiciary, the legislative caucus staffs, and the legislative services agency, in electronic format, a report containing all of the following information:

1. The number of cases the attorney general filed during the previous calendar year under this chapter.
2. The number of cases qui tam plaintiffs filed under this chapter during the previous calendar year, including those cases that remain under seal, and specifying all of the following for the cases:
 - a. The state or federal court in which each case was filed and the total number filed in each court.
 - b. The state program or agency involved in each case.
 - c. The number of cases filed by qui tam plaintiffs who previously filed an action based on the same or similar transaction or allegation under the federal False Claims Act or the false claims act of another state.
3. The amount recovered by the state in the form of settlement, damages, penalties, and litigation costs, if known, and specifying the following for each case:
 - a. The case number and parties for each case in which there was a recovery.
 - b. The amount of funds recovered respectively for damages, penalties, and litigation costs.
 - c. The percentage of the recovery and the amount that the state paid to any qui tam plaintiff.